



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 334** HLS 10RS 1057  
Bill Text Version: **REENGROSSED**  
Opp. Chamb. Action: **w/ SEN COMM AMD**  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> June 9, 2010	5:13 PM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b>		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Dedication To Casino Support Services Contract		

GAMING/REVENUERE1 +\$3,600,000 SD RV See NotePage 1 of 1

Provides relative to the casino support services contract

Current law requires the gaming control board to negotiate and agree to a casino support services contract with Orleans Parish, subject to approval of the Joint Legislative Committee on the Budget (JLCB). If the JLCB disapproves or does not act upon the amount of the contract, the contract shall be null and void. Support services include fire, police, sanitation, health, transportation, and traffic services. Current law also provides that monies paid to the state by the casino operator be deposited into the Support Education in Louisiana First Fund (SELF). Proposed law retains current law but prohibits the treasurer from depositing any monies into a special fund created by the bill if JLCB disapproves or does not act on a contract. The special fund created by the bill is the Casino Support Service Fund, and allocates casino remittances into it, up to the amount of the latest approved contract, but only after 10% of casino remittances have been deposited into the SELF fund. Then an amount sufficient to fund the approved contract is deposited to the Support Service Fund. After that the remainder of remittances are deposited to the SELF. Governor's signature.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**  
The latest casino support services contract has been approved by the JLCB (4/14/2010) for FY11 in the amount of \$3.6 million, and this amount would be dedicated for FY11. This amount has been appropriated from the state general fund in prior years (FY07-10), at the lesser amount of \$1 million in the years FY04-06, and in the amount of \$6 million in FY00. The general appropriation bill (HB 1 Reengrossed) for FY11 contains an appropriation for this purpose from the Casino Support Service Fund, contingent upon enactment of this bill.

**REVENUE EXPLANATION**  
From payments made to the state by the casino operator, the bill requires 10% to be deposited into the SELF fund (salary expenses for pre-K through 12th grade teachers and college faculty), and then an amount sufficient to fully fund the latest approved casino support services contract is to be deposited into the Casino Support Service Fund, newly created by this bill. After that, the remainder of payments are to be deposited into the SELF fund.

The latest contract has been approved by the JLCB (4/14/2010) for FY11 in the amount of \$3.6 million. In five of the eight years since 2002, the SELF fund has had end-of-year balances in excess of \$3.6 million (as little as \$4.3 million and as much as \$20.5 million). These historical balances suggest that in most years payments from the casino operator should be sufficient to fully cover the salary obligations of the SELF fund and the allocation to the support services contact (at the \$3.6 million level). However, in three of eight years since 2002, the SELF fund’s end-of-year balances have been less than the \$3.6 million (as little as 4¢ and as much as \$2.4 million).

Thus, since the Casino Support Service Fund receives its full allocation after only 10% of remittances have been deposited to the SELF, it is possible that in some years the SELF fund obligations may not be fully covered. In those instances the state general fund would presumably be required to supplement the SELF.

Senate

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☒ 6.8(F) >= \$100,000 Annual SGF Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk  
Legislative Fiscal Officer